# 2003 ANNUAL REPORT

of the

# INDIANA COMMISSION ON PROPRIETARY EDUCATION

to

# **GOVERNOR JOSEPH KERNAN**

and the

# INDIANA GENERAL ASSEMBLY

# **COMMISSION MEMBERS**

Mr. Paul E. Black, Evansville Chairman
Mr. Dennis Southerland Vice Chairman
Miss Roleen Pickard Secretary
Mr. Kenneth Konesco Member
Dr. Kenneth Sauer Member
Ms. Patricia Shutt Member

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# **COMMISSION STAFF**

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#### **COMMISSIONER'S REPORT**

The following report summarizes the Calendar Year 2003 activities of the Indiana Commission on Proprietary Education (COPE) in fulfilling its regulatory responsibilities as prescribed in the Indiana Code (IC 20-1-19 *et seq*). This report was prepared by the COPE staff to provide interested parties with an overview of the Commission's accreditation functions.

The number of schools subject to COPE's regulation continues to grow. The agency currently regulates approximately 148 schools, including 214 campuses and more than 20,000 students. The fields of Massage, Allied Health, Business, and Technology continue to generate a great deal of interest, as evidenced by new school applications and added programs.

In October, COPE entered into a Memorandum of Understanding with the Indiana Department of Revenue for a coordinated approach to the oversight of Truck driver training in Indiana. The industry continues to be in demand, and because other State agencies have statutory interests in the licensing and public safety aspects of the industry, the MOU facilitates better coordination of oversight and information across all concerned entities.

The student records of defunct schools continue to provide a heavy work load for COPE as many former students, graduates, employers, and the United States Department of Education contact us for various types of verification or information regarding grades, drop or graduation dates, and type of diploma or degree conferred. COPE staff recovered an estimated 21,800 student transcripts from the 9 closed schools.

When the 1971 General Assembly created the Indiana Private School Accrediting Commission, now known as the Commission on Proprietary Education, the purpose was to: "....protect students, educational institutions, the general public, and honest and ethical operators of proprietary schools from dishonest and unethical practices." After 30 years of operation, the Commission continues to work for the improvement of proprietary education in Indiana and continues to uphold its original purpose. A result of those efforts will be realized in the implementation of the Career College Student Assurance Fund. The rules for the Fund were finalized in 2003, and contributions will begin being collected in late 2004.

As a final note to 2003, Phillip Roush, who had led the Agency for 26 years, retired from the Commissioner's post. Through his leadership, the Commission is positioned to face the challenges in the years to come, and to continue to contribute to the quality of educational offerings available to the citizens of Indiana. As the new Commissioner, it is my distinct honor to serve with the staff and leadership of the Commission on Proprietary Education.

#### **APPLICATION PACKETS**

The commission supplies prospective school operators with an information packet outlining the procedures and all of the requirements for beginning a school. Besides the relevant chapter of the Indiana Code (20-1-19) and COPE's Rules and Regulations (Indiana Administrative Code 570), the packet contains copies of the forms that applicant institutions must complete before starting business. Sixty-four persons requested the packet during the past year. This is a decrease of one-third of the number of packets reported in the 2002 report.

#### OTHER PUBLICATIONS

The commission is no longer publishing a hard copy of the Directory of Accredited Institutions. August of 1996 was the last year the commission published and distributed the Directory of Accredited Institutions. Staff continues to provide requested information regarding the accredited schools by accessing the current in-house document known as Summary Sheets. The file maintained on the agency computer is current as of the day a person requests a listing of schools. The documents can either be printed and mailed through the U.S. Postal service, or e-mailed as an attachment. The Summary Sheet information was provided to five individuals during 2003. This figure demonstrates a continuing pattern of a declining number of hard copy directories provided to the public. Staff attributes the decline to a continuing increase in the use of the agency web site that contains frequently updated information, and reduces paper usage in compliance with the Governor's Greening of the State conservation program. Unfortunately, staff currently has no measuring system to determine the number of inquiries satisfied through the web site. Additionally, three copies of 570 Indiana Administrative Code was provided to the public. Again, the number of items mailed continues to decrease, as the statute and code are available through the State of Indiana's web site. Staff regularly directs such inquiries to the web.

#### **ACCREDITATION ACTIVITY**

During 2003 the commission regulated the activities of 209 institutions, 146 in- state and 63 out-of-state. This is a .9% decrease in the in-state schools from 2002 and out-of state schools continue to increase their presence in Indiana with a 5% increase over 2002. Because a school may achieve more than one level of accreditation during an annual reporting period, the chart that follows indicates all the levels of accreditation held by COPE institutions in the year 2003. Therefore, the number of schools regulated and the number of accreditation statuses held do not necessarily coincide.

Accreditation Level	In-State	Out-of-state
Fully Accredited	118	63
Accredited with Recommendations	0	0
Candidate	1	0
Applicant	25	0

Defunct	1	0
Revocation	1	0
Not Under IC 20-1-19	6	0
No Longer Doing Business	0	_0
Total	152	63

#### **SCHOOL VISITATIONS**

Commission staff made approximately 70 school visitations during 2003, the exact number as visited in 2002. It should be noted, however, that Ross Miller conducted all of the visits whereas in 2002 the visits were a combined effort of two accreditation specialists. Staff is pleased that is has been able to maintain its field activity in a climate of decreased funding for agency operations including travel expenses. Visits by COPE's Director of Veterans Education are reported elsewhere in this report. An accreditation specialist also visited each new applicant institution as part of the application process. In addition, the Commissioner and other staff members called frequently upon institutions to inspect new facilities, make jurisdictional determinations, pick up school records and review files.

#### **ON-SITE EVALUATIONS**

On-site evaluations of a school's programs, instructors, and physical facilities by qualified evaluators are an essential part of COPE's accreditation process. Normally, evaluation teams are composed of three outside persons and one COPE accreditation specialist. Commission field staff organized and conducted 7 on-site evaluations during 2003. This is about a 20% decrease in the number of evaluations conducted in 2002. However, 7 on-site evaluations is a significant number as Ross Miller was the only accreditation specialist on staff for several months to cover both the in-office responsibilities and able to conduct field evaluations. This was due to the resignation of Tony Pappano and the lapse period before hiring and training of a new accreditation specialist, William Liederbach.

Status Granted

The names of the institutions evaluated and the status granted are listed below.

Name of Institution

Beck Bus Transportation	Reduced to Candidate
Current Technologies Computer Learning Center	Fully Accredited
Healthcare Business Institute	Fully Accredited
Methodist Hospitals Diagnostic Medical Sonography	Fully Accredited
North American Driving Academy	Fully Accredited
Premier Truck Driving School	Fully Accredited
Velociti Systems Medical Career Academy	Fully Accredited

In addition to the on-site evaluations the COPE field staff organize and conduct, they also serve as observers for evaluations conducted by national accrediting bodies. COPE staff participated on two evaluation teams conducted by two national accrediting bodies, the Accrediting Commission of Independent Colleges and Schools, (ACICS) and the Accrediting Bureau of Health Education Schools (ABHES).

Schools evaluated, accrediting body, and the status granted is listed below.

Olympia College, Merrillville, IN ABHES Review ITT Technical Institute, Indianapolis, IN ACICS Accredited

# **ON-SITE EVALUATION TEAMS**

COPE regularly invites qualified persons from the ranks of business, education, and industry to help evaluate petitioning institutions. The commission gratefully recognizes the following 23 public-spirited citizens who served as evaluators during 2002. Special thanks goes to Dennis Anness who has now participated on seven evaluation teams in recent years. COPE staff is fortunate to have several individuals who are dedicated to the improvement of vocational and technical education and serve as team members to assist in the achievement of that goal.

Name of Evaluator	School Evaluated
Max Butler	Beck Bus Transportation
Paul Blackwell	Beck Bus Transportation
Randy Becker	Current Technologies Computer Learning Center
Jeff Lundy	Current Technologies Computer Learning Center
George Schaffer	Current Technologies Computer Learning Center
Mike Edwards	Healthcare Business Institute
Stephanie Morey	Healthcare Business Institute
Connie Woods	Healthcare Business Institute
Rachelle Flores	Methodist Hospitals Diagnostic Medical Sonography
Kathleen Hansen	Methodist Hospitals Diagnostic Medical Sonography
Sue Woodward	Methodist Hospitals Diagnostic Medical Sonography
Paul Blackwell	North American Driving Academy
Phillip King	North American Driving Academy
Larry Jay Meredith	North American Driving Academy
Frank Roberts	Premier Truck Driving School
Edward Skalka	Premier Truck Driving School
Joe Whorton	Premier Truck Driving School

John Hudgins Cassandra Purcell Cameron Smith Velociti Systems Medical Career Academy Velociti Systems Medical Career Academy Velociti Systems Medical Career Academy

# **DEGREE PROGRAMS**

The accreditation staff is responsible for evaluation requests from institutions for new degree approval and for reviewing materials for renewal of degree authority. During 2003 a total of 75 new degree requests were evaluated and 75 were granted. During the same period 15 degrees were reviewed for renewal and were granted.

School	<b>New Degree Granted</b>
Davenport University – Hammond	(ABA) Management
Davenport University - Hammond	(ABA) Administrative Office Technology
Davenport University - Hammond	(AAS) Medical Assisting
Davenport University - Hammond	(ABA) Computer Support  Technology
Davenport University – Merrillville	(ABA) Accounting
Davenport University – Merrillville	(ABA) Administrative Office Technology
Davenport University – Merrillville	(ABA) Computer Networking Technology
Davenport University – Merrillville	(ABA) Computer Support  Technology
Davenport University – Merrillville	(ABA) Entrepreneurship
Davenport University - Merrillville	(ABA) Health Insurance Claims  Management
Davenport University – Merrillville	(ABA) Management
Davenport University – Merrillville	(ABA) Marketing
Davenport University – Merrillville	(AAS) Medical Assisting
Davenport University – Merrillville	(ABA) Systems Application Development
Davenport University – Merrillville	(BAS) Applied Business
Davenport University – Merrillville	(BBA) Accounting Information  Management
Davenport University – Merrillville	(BBA) Computer Information Systems
Davenport University – Merrillville	(BBA) Integrative Professional Studies
Davenport University - Merrillville	(BBA) Management
Davenport University - South Bend	(AS) Accounting
Davenport University - South Bend	(AAS) Health Insurance Claims

Davenport University – South Bend Davenport University – South Bend Davenport University – South Bend Davenport University – South Bend
Davenport University - South Bend
Davenport University - South Bend
Davenport University – South Bend Davenport University – South Bend
Davenport University – South Bend Davenport University – South Bend Davenport University – South Bend
Davenport University - South Bend
Davenport University – South Bend DeVry University – Merrillville
Indiana Business College – Anderson Indiana Business College – Lafayette
Indiana Business College – Marion Indiana Business College – Muncie ITT Technical Institute – Fort Wayne
ITT Technical Institute – Fort Wayne
ITT Technical Institute – Indianapolis
ITT Technical Institute – Indianapolis
ITT Technical Institute – Newburgh
ITT Technical Institute – Newburgh
ITT Technical Institute – Indianapolis
Ottawa University – Jeffersonville Ottawa University – Jeffersonville Ottawa University – Jeffersonville

University of Phoenix – Indianapolis

University of Phoenix- Indianapolis

(AS) Management (AS) Marketing (AAS) Medical Assisting (ABA) Administrative Office Technology (ABA) Computer Networking Technology (ABA) Computer Support Technology (ABA) Entrepreneurship (ABA) Systems Application Development (ABA) Web Development (BAS) Applied Business (BBA) Accounting Information Management (BBA) Computer Information **Systems** (BBA) Management (BS) Computer Information **Systems** (AAS) Medical Assistant (AAS) Business & Information Technology (AAS) Medical Assistant (AAS) Medical Assistant (BAS) Digital Entertainment & Game Design Software Engineering (BS) Technology (BS) Digital Entertainment & Game Design Software Engineering (BS) Technology Digital Entertainment & (BS) Game Design (BS) Software Engineering Technology (MBA) Business Administration Via Distance Education (BA) **Business Administration** (BA) Human Resources (BA) Management (BS) **Business/Accounting** (BS) Business Administration

Management

University of Phoenix – Indianapolis

University of Phoenix – Indianapolis University of Phoenix – Indianapolis University of Phoenix – Indianapolis University of Phoenix – Indianapolis

University of Phoenix - Indianapolis

University of Phoenix – Indianapolis University of Phoenix – Indianapolis

University of Phoenix – Indianapolis

#### School

AC/C Tech – Indianapolis

American Trans Air Aviation Academy

Concordia College Wisconsin – Fort Wayne
Concordia College Wisconsin – Indianapolis
Concordia College Wisconsin – Indianapolis
Concordia College – Wisconsin – Indianapolis
Concordia College – Wisconsin – Indianapolis

- (BS) Business/E-Business
- (BS) Business/Finance
- (BS) Business/Management
- (BS) Business/Marketing
- (BS) Criminal Justice Administration
- (BS) Health Care Services
- (BS) Information Technology
- (BS) Management
- (BS) Nursing
- (MBA) Master's in Business Administration
- (MBA) Accounting
- (MBA) E-Business
- (MBA) Global Management
- (MBA) Health Care Management
- (MBA) Human Resources
  Management
- (MBA) Marketing
- (MBA) Technology Management
- (MA) Education
- (MA) Education/Adult Education
  Distance Learning
- (MA) Education/Curriculum & Technology
- (MA) Management
- (MS) Computer Science Information Systems
- (MS) Nursing

# **Degree Renewal Granted**

- (AAS) Apartment Maintenance Technology
- (AAS) Aviation Maintenance Technology
- (AA) Liberal Arts
- (BA) Liberal Arts
- (AA) Management/Communications
- (BA) Management/Communications
- (AA) Management of Criminal Justice
- (BA) Management of Criminal Justice
- (AA) Liberal Arts
- (BA) Liberal Arts
- (AA) Management of Criminal Justice
- (BA) Management of Criminal Justice

ITT Technical Institute – Indianapolis

Indiana Business College – Indianapolis International Business College – Indianapolis

(BAS) Electronic Engineering Technology

(AAS) Fashion Management

(AAS) Computer Programming

#### COMPLAINTS AND ADMINISTRATIVE HEARINGS

As a part of its consumer protection responsibility, the commission works with students and school officials to resolve complaints. During 2003 the staff reviewed 11 complaints. The following lists the school, student, and determination. After a determination is made either the complainant or the respondent may request a review of the staff determination by requesting a hearing before and Administrative Law Judge. Four administrative hearings were conducted. The final rulings are listed below.

# **Formal Complaints:**

All American CDL Training / Chad Kelley	Found in favor of the school
American Trans Air Aviation Training	
Academy / Robert Turner	Found in favor of the school
At-Home Professions / Leah Skaggs	Found in favor of the school
Commercial Driver Institute – South Bend / Michael Everson	Found in favor of the school
Indiana Business College – Medical / Mary McClendon	Found in favor of the school
Indiana Business College – Medical / Seneca Miller	Found in favor of the school
Indiana Business College – Medical / Angela Walker	Found in favor of the school
Michiana College – South Bend / Patricia Mathews	Found in favor of Ms. Mathews
Professional Careers Institute / LaShowna Perkins	Found in favor of the school
Sawyer College – Merrillville / John Bertram	Found in favor of the school
Tri-State Academy of Pet Grooming / Sheryl Yordy	Found in favor of Ms. Yordy

# Administrative Law Judge Hearings:

Indiana Business College – Medical / Mary McClendon	Found in favor of the school
Indiana Business College – Medical / Seneca Miller	Found in favor of the school
Regional College of Massage Therapy / Jennifer Gamble	Found in favor of Ms.Gamble
Regional College of Massage Therapy / Peggy Sebert	Found in favor of Ms.Sebert

#### SCHOOLS CEASING OPERATION IN INDIANA

Beck Bus Transportation Corp, Evansville, IN – Revoked (no private pay students), 12/3/03

Caduceus Medical School, Hammond, IN – Defunct, 4/28/03 Career Centers of Indiana, Indianapolis, IN -Defunct, 10/15/03 CDL Academy, Greenwood, IN - Defunct, 8/22/03 Commercial Driving Services, Evansville, IN - Defunct, 6/18/03
Commercial Driving Services, Plymouth, IN - Defunct, 9/3/03
Commercial Truck Driver Training of Kentucky, Sellersburg, IN - Defunct, 8/18/03
COMP USA, Indianapolis, IN - Defunct, 4/28/03
Delta Career Academy, Jeffersonville, IN - Defunct, 3/1/03
Indiana College of Bodywork Modalities, Indianapolis, IN - Revoked, 3/2003
Therapeutic Bodywork School of Massage, Greenwood, IN - Defunct, 10/6/03

# Schools Determined Not Under the Jurisdiction of IC 20-1-19

School Name	Date of Determination
John Robert Powers Indianapolis, IN	10/3/03
Medical Billing Course LaPorte, IN	2/26/03
Trinity International University Deerfield, IL	10/3/03
Vision Resource Center Bloomington, IN	4/3/03
Westwood College of Technology O'Hare Campus Schiller Park, IL	12/29/03
Wise-Technology Merrillville, IN	11/21/03

#### **AGENT ACTIVITY**

A total of 465 agent permits were issued during 2003. This is about 25% more than were issued in 2002 and indicates a return to a more normal level of recruitment activity compared to other years. There were 151 agents terminated during 2003.

# **Agent Activity continued**

Type of Permit	Number Issued
New Agent	250 450
Renewal	150
Complimentary	65

#### **INSTITUTIONAL BONDING**

Schools regulated by COPE are required to post an institutional bond to cover students' claims for loss and damages caused by the school. The bond formula varies according to the institution's annual tuition income.

The following table illustrates the amount of bond and the number of schools in each category. This list includes in-state and out-of-state schools doing business in Indiana.

Institutional Bond Amounts	No. of Schools
Bonds under \$5000	0
Bonds at \$5000	60
\$5001 to \$9,999	15
\$10,000 to \$24,999	20
\$25,000 to \$49,999	14
\$50,000	62

# **TELEPHONE ASSISTANCE**

The commission staff assists many persons through telephone inquiries. Assistance is provided to school personnel, other state government agencies, enrolled students, prospective students, business and industry, and the general public regarding the many facets of postsecondary proprietary education. While there is currently no system available to identify the exact number of telephone calls the commission receives, the commission staff continues to spend much of its time communicating with the public by telephone. The toll free line for out-of-state callers was eliminated due to a large volume of callers using it for the purpose of connecting to another state agency that does not have a toll-free line. The cost savings of eliminating the out-of-state toll free line out weighs the number of legitimate inquiries about proprietary schools that staff receives. To more efficiently assist callers, the direct line of each staff member is published and callers now have a "pick" list of staff to select from the automated attendant line. Expanded access provides the public with the staff member that can best assist them. This continues to be a helpful and efficient tool.

# SCHOOL RECORDS MANAGEMENT

When an institution closes, the commission is responsible for recovering the student records. During 2003, commission staff secured the records of nine schools that

closed. These school records are listed below with the approximate number of student files.

Acme Institute of Technology, Returned by the	
US Department of Education	500
Commercial Driving Services, Evansville & Plymouth, IN	9,000
Commercial Driver Training of Kentucky, Sellersburg, IN	2,000
Indiana College of Bodywork Modalities, Indianapolis, IN	100
Interstate University, Returned by the US Department	
Of Education	4,000
Midland Career Institute, Returned by the US Department	
Of Education	500
Regional College of Massage Therapy, Fort Wayne, IN	400
Truck Driver Training, Sellersburg, IN	5,000

The commission has in the past reported the number of transcripts serviced by staff during the year. However, the commission, by public request, is beginning to go far beyond servicing transcripts. The staff gives information regarding financial aid, referrals, services academic files, supplies supporting information for federal loan forgiveness, provides school account cards, transcripts, and course descriptions. The commission serviced over 797 information requests during 2003, which represents a continuing pattern of increased assistance to the public.

The following list identifies the number and type of record assistance provided.

- 172 Official transcript requests filled
- 168 Student transcript requests filled
- 48 Documents issued for information purposes such as copies of catalogs
- 71 Transcripts were not located
- 8 Duplicate diplomas or copies of degrees issued
- 91 Written verifications for employment (this does not include verbal confirmation)
- 42 Letters generate
- 20 Referrals to other agencies
- 177 Transcript request forms mailed or faxed. This number does not include the number of request forms downloaded from the Commission's web site.
- 28,000 Copies of COPE school files issued in response to official requests for public information

#### **TUITION REFUNDS**

Over the past years the commission has conducted a number of formal hearings to obtain refunds from institutional surety bonds. The commission has not been able to locate all of the former students who are entitled to refunds and their funds are secured on deposit with the state of Indiana. As these students are located, the refunds are issued. The commission still has proceeds from previous bond calls available for distribution. Staff continues its efforts to locate the eligible students. Names of eligible students who have funds secured with the state of Indiana can be located by visiting the Commission's web page at <a href="www.in.gov/cope/">www.in.gov/cope/</a> and then selecting student refunds. Additionally, the commission received \$13,631.00 from the accounting firming, Peachin, Schwartz and Peachin of Indianapolis. They were the accounting firm that was administering student refunds in the bankruptcy of Aristotle College. COPE staff will now accept responsibility for determining to whom and the amount of refund each eligible former student is to receive. These names will soon be added to the COPE web page.

#### **VETERANS EDUCATION UNIT**

The State Approving Agency (SAA) works in partnership with the Federal and State government in the administration of the education and training benefits earned by our veterans, members of the reserves, and other eligible persons. The general mission or purpose of the SAA is as follows: (1) to promote and safeguard quality education and training programs for all veterans and other eligible persons; (2) to ensure greater educational and training opportunities to meet the changing needs of veterans; and (3) to assist the Veterans Administration in preventing fraud, waste and abuse in the administration of the GI Bill.

### **Approval Activity**

The SAA Performance Log and Quarterly Report verified 2,522 completed actions on written requests for program or policy evaluations. A response action is to be taken within fourteen days for maximum efficiency or timeliness. The SAA was able to accomplish a 90% efficiency performance goal for processing the application evaluations within the specified time.

There was a single new school approval, Ottawa University in Jeffersonville, Indiana, completed and forwarded to the VARO for final processing or review to assure fulfillment of the applicable Federal and/or State codes. The approval of two (2) formerly approved schools was revoked as follows: TechSkills (Indianapolis) and the Regional College of Massage Therapy (Fort Wayne), which subsequently closed.

# **Supervisory Visits**

The purpose of the annual supervisory visits (87) incorporates a review of academic transcripts, curricula plan and academic term certifications to determine if veterans and other eligible persons are pursuing courses required for the designated degree completion and to determine if the students are advancing in accordance with the institutions approved standards of progress. The visits assist in the development of a good working relationship with school personnel to answer their questions, provide training and encourage sensitivity to veterans' benefits and needs. In addition, the visit provides an opportunity to assess continuing adequacy of facilities, equipment, qualifications of staff or other approval criteria for continued compliance with the Federal and State regulations.

# **Expanded Horizons**

Operation Expanded Horizons was implemented to encourage those individuals entitled to receive VA Educational Assistance funds to utilize their benefits by fulfilling degree requirements at the post-secondary institutions within the State of Indiana. The SAA fulfills that role to prospective VA students by supplying requested information regarding approved programs available at each institution.

Summary of Activity	Number
Logged Approval Applications	2,522
New Facilities	1
Withdrawn Approval	181
(Programmatic)	
Supervisory Visits	87
Inspection Visit for New Facility	1
Visits for Technical Assistance	4
Expanded Horizons	257
Communications	